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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, October 4, 2002

JOINT PETITION OF

CASE NO. PUC-2002-00157

ONFIBER CARRIER SERVICES - VIRGINIA, INC.,
and
TELSEON CARRIER SERVICES OF VIRGINIA, INC.,

For approval of the transfer of the assets
of Telseon Carrier Services, Inc., to
OnFiber Carrier Services, Inc., and
request for abandonment of the provision
of telecommunications services by
Telseon Carrier Services, Inc., in Virginia

ORDER GRANTING APPROVAL

On August 15, 2002, OnFiber Carrier Services - Virginia, Inc. ("OnFiber"), and Telseon Carrier Services of Virginia, Inc. ("Telseon") (together, the "Petitioners"), filed a joint petition with the State Corporation Commission ("Commission"). In this joint petition, the Petitioners request approval of the transfer of the assets of Telseon Carrier Services, Inc., to OnFiber Carrier Services, Inc.

OnFiber Communications, Inc. ("OnFiber Communications"), is a privately held corporation with its principal place of business located in Austin, Texas. Through its subsidiaries, OnFiber Communications operates fiber optic networks in major metropolitan areas delivering broadband connectivity services primarily to other carriers and Internet Service Providers through SONET, Ethernet, and Optical Wavelength product offerings.

OnFiber Carrier Services, Inc. ("OnFiber Carrier Services"), is a privately held Delaware corporation also located in Austin, Texas. OnFiber Carrier Services is a wholly owned

subsidiary of OnFiber Communications. OnFiber Carrier Services currently holds authorizations to provide telecommunications services in 19 states.

OnFiber is a Virginia corporation incorporated on April 10, 2000. Its principal place of business is located in Austin, Texas. OnFiber is a wholly owned subsidiary of OnFiber Communications. In Virginia, OnFiber is authorized to provide facilities based interexchange telecommunications services pursuant to certificate of public convenience and necessity (“CPCN”) No. TT-109A granted on September 19, 2000, in Case No. PUC-2000-00133 (PUC000133). OnFiber is also authorized to provide local exchange telecommunications services pursuant to CPCN No. T-506 granted in Case No. PUC-2000-00133 (PUC000133) that same day.

Telseon, Inc., is a privately held corporation located in Englewood, Colorado. Through its subsidiaries, Telseon, Inc., operates fiber-optic networks in major metropolitan areas, providing an extensive range of broadband and high-speed digital private line services primarily to other carriers and ISPs. Telseon Carrier Services, Inc., currently holds authorizations to provide telecommunications services in 18 states.

Telseon is a privately held corporation located in Englewood, Colorado. Telseon is a wholly owned subsidiary of Telseon, Inc. Telseon is authorized to provide interexchange telecommunications services in Virginia pursuant to CPCN No. TT-160A and authorized to provide local exchange telecommunications services in Virginia pursuant to CPCN No. T-565. Those CPCNs were granted on August 7, 2001, in Case No. PUC-2000-00305 (PUC000305).¹

The Petitioners seek approval of the transfer of Telseon’s telecommunications assets in Virginia to OnFiber. Telseon Carrier Services, Inc., Telseon Carrier Services of Virginia, Inc.,

¹ In the joint petition, Telseon requests the Commission to cancel the above-referenced CPCNs and applicable tariffs. This request will be handled in a separate proceeding.

and Telseon IP Services, Inc. (collectively, the “Telseon Companies”), together with OnFiber Communications, by letter agreement dated July 25, 2002, agreed to a transaction involving OnFiber Communications’ purchase of assets and assumption of certain liabilities of the Telseon Companies. According to the letter agreement, the transaction was consummated on July 31, 2002. At that time, OnFiber Communications paid the creditors of the Telseon Companies the amounts negotiated to satisfy the debt obligations of the Telseon Companies.

Although OnFiber Communications is the actual party to the letter agreement, it is the Virginia assets of Telseon that ultimately will be transferred to OnFiber. OnFiber will continue to provide telecommunications services in Virginia, and, as a certificated interexchange and local exchange telecommunications provider, it will remain subject to the oversight of the Commission. OnFiber Communications will remain a holding company and the parent of OnFiber.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of the telecommunications assets of Telseon to OnFiber as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.